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CENTRAL INTELLIGENCE AGENCY

4 September 1959

MEMORANDUM FOR THE DIRECTOR

SUBJECT: The Situation in Morocco

1. Tension is running high in Morocco, as the government grapples ineffectively with growing political instability and a serious financial crisis aggravated by the indecision of the government over stabilizing the position of the Moroccan franc. Relations between the King and some members of the cabinet, including Premier Ibrahim, have become dangerously strained, and the government may be dismissed at any moment. Under these conditions Moroccan negotiations with the US over base rights and arms supply to Morocco are being conducted against a backdrop of uncertainty and political maneuver. Ibrahim and his government are striving to achieve a settlement with the US which can be politically exploited as a victory for Moroccan interests.

2. The political malaise now troubling Morocco is rooted in the factional maneuvering within the dominant Istiqlal party. When the leftist-led wing of the Istiqlal wrested control of the government from the conservatives in December 1958, hostility

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between the two factions became a fact of Moroccan political life; the struggle is currently carried on largely with verbal weapons, but has erupted into violence from time to time. King Mohammed V, whose public popularity is high, has sought to remain above the deep political divisions separating the so-called leftist wing -- Ben Barka, Ben Seddik, Ibrahim, and a good majority of Istiqlal's rank-and-file -- from the moderates led by ex-premier Balafrej and Allah el Fassi. However, the King's position has been increasingly compromised as the struggle has grown more bitter, and followers of certain leftist cabinet ministers openly displayed their republicanism, and in some cases their profound admiration for Egypt's Nasser.

3. In an effort to solidify his personal position without endangering the representative character of his government, the King has retained some key cabinet posts for his own entourage, and has installed the Crown Prince as Army Chief of Staff. Furthermore he has from time to time encouraged the growth of political movements and careers not identified with the Istiqlal. By these tactics the King has probably insured himself of the loyalty of the bulk of the Royal Moroccan Army and the security forces, and has seen to it that a small but effective group of his most loyal supporters hold key administrative positions. These men are distrusted by both factions of Istiqlal.

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4. Although the Istiqlal's leftist faction can probably count on more public support than the moderate wing -- including the bulk of the powerful labor movement (the UMT) -- its freedom of action has been severely limited by a deteriorating economic situation. Ever since the devaluation of the French franc in December 1958 the government has sought unsuccessfully to find a solution to problems caused by the overvaluation of the Moroccan franc. For nationalistic reasons Finance Minister Bouabid has refused to consider devaluation, but instead has been casting about for ways to reduce Moroccan economic dependence on France and the franc zone. To date, however, no specific plan has been announced. Meanwhile the franc has continued overvalued, exports have fallen off, business has declined, and foreign business interests (especially the French) have continued to curtail their operations.

5. There are also indications that powerful elements within Morocco are quietly attempting to block what appears to be the country's imminent departure from the franc zone. The palace is known to be troubled over the prospect of a reduction in economic ties with France, fearing that these relationships would inevitably be replaced by more active trading arrangements with the Bloc. However, as conditions worsen and unemployment increases, the pressures on the government to make up its mind on financial policy continue to

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increase. We believe that the Ibrahim government will soon choose to leave the franc zone, and that when it does the friction between palace and cabinet will increase. There would be little likelihood, however, of a sudden shift in Moroccan trade patterns towards the bloc.

6. The desperate attempts of the present government to stay afloat in these difficult economic and political conditions has given a new importance to US-Moroccan negotiations over base rights and related subjects. [REDACTED]

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[REDACTED] Moroccans can be made more tractable on the central issue of base tenure by accepting Morocco's right to collect customs on private goods imported for use at SAC bases and by offering lump sum payments in settlement of past claims. On the tenure issue we believe Ibrahim is anxious to arrive at a formula which he could represent as a triumph for his government. If he succeeded, he would reduce nationalist criticism and at the same time reassure the palace that his government was not acting with irresponsible haste against Western interests. Given the pressures of the moment, it is possible that he might now accept a three-year withdrawal timetable for US elements.

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7. In general, however, the outlook is not bright in Morocco.

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[REDACTED] a new government headed

by palace leaders, should be formed in which Istiqlal influence of both moderate and leftist persuasion would be minimized. Such a move might open new political divisions in Morocco and would certainly evoke bitter reaction from republican elements and the Istiqlal left-wing. The King probably appreciates this danger and is more likely to attempt a reshuffling of the cabinet to make it representative of all Istiqlal elements. Such a government would probably be quickly brought to an end by factionalism among its members.

8. The French continue to fish in troubled waters, and have already indicated their displeasure at US willingness to supply Morocco with arms. Any hesitancy on our part in this matter would strengthen the attacks of the extreme nationalists on the policy of dealing with the US, and would diminish the prospect that the US could reach an agreement to retain its bases.

9. Recent reports of Mohamed VI's failing health following a tonsillectomy are probably exaggerated. However, the concern caused by these reports emphasizes the central and unifying position he

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holds in the turbulent world of Moroccan public affairs. If the King should die or become incapacitated, widespread political disorders would almost certainly follow his departure, as competing political forces struggled for power. The Crown Prince is highly unpopular in many circles and probably does not command the full loyalty of the army and the police. Extremists within the leftist wing of the Istiqlal would probably use the occasion to demand the establishment of a republic. They would probably be joined by the loosely organized remnants of the dissident Army of Liberation, which still operates in the Moroccan hinterland. Under these circumstances a situation close to civil war would be possible, in which US installations and personnel might become the objects of demonstrations or violence.

FOR THE BOARD OF NATIONAL ESTIMATES:



ABBOT SMITH  
Acting Chairman

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STANDARD FORM NO. 64

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*Office Memorandum* • UNITED STATES GOVERNMENT

TO : General Cabell

DATE: 4 September 59

FROM : Abbot Smith

SUBJECT: Attached Memo for the DCI

J-2 informed me yesterday that they would like an SNIE on Morocco, and will probably (not certainly) bring the matter up at the next USIB meeting.

Our staff had just finished a memorandum on Morocco, and in view of J-2's request we herewith send it along to you. I have given it no outside distribution, save for a copy sent informally to Colonel McCann of J-2.

The memo was prepared in consultation with OCI and DDP representatives, but they have not seen the final version.

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ABBOT SMITH

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